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C O N F I D E N T I A L PRAGUE 000082

SIPDIS

STATE PASS ELECTRONICALLY TO USDA
USDA FOR FAS/ONA BERTSCH, MANNIX, FAS/OCRA NENON, BASINGER
USEU PASS AG MINISTER COUNSELOR, AGATT STANGE
USTR FOR DWEINER

E.O. 12958: DECL: 02/10/2019
TAGS: [EAGR](#) [ETRD](#) [ECON](#) [PREL](#) [EZ](#) [EUN](#)
SUBJECT: CZECHS TO ENCOURAGE DG AGRI ON INTERIM BEEF
AGREEMENT

Classified By: Political-Economic Counselor Charles O. Blaha.
Reasons 1.4 b. and d.

11. (U) This is an action request. Please see paragraph 5.

12. (C) Summary: A key Czech EU Presidency staffer told us February 6 that Agriculture Minister Gandalovic will encourage Agriculture Commissioner Fischer Boel to take immediate steps to resolve the U.S.-EU beef hormone conflict during meetings later this month. Gandalovic is scheduled to meet Fischer Boel on the margins of a February 12 meeting and face to face on February 19. The Czechs would like to see this issue resolved and have instructed their Permanent Representation in Brussels to support efforts to get DG Agri back to the table. The Czechs, however, are conscious that as the EU Presidency they are acting on behalf of the entire EU and not just themselves, thus they are reluctant to be seen getting too far out in front of the other EU member states. End summary.

13. (C) Visiting regional FAS Counselor and Emboff reiterated USTR's interim beef agreement points to Ag Ministry EU Presidency Department Director Jan Dejl on February 6. FAS Counselor encouraged the Czechs to urge DG Agri to resume negotiations on an interim beef agreement that would involve increased market access for U.S. hormone free beef in exchange for the phase out of retaliatory tariffs. FAS Counselor added that there are outstanding sanitary issues to be addressed by DG Sanco and it was important that higher levels of U.S. exports not be disrupted by DG Sanco, for example by using a safety clause. Emboffs explained the history of the hormone free tariff rate quota negotiations based on points provided by USTR. Dejl noted that several member states, including Italy, had already raised the issue with the Czechs. Dejl repeated that the Ministry wanted to be helpful on this issue and would push DG Agri to come back to the table ready to discuss actual tonnage figures. Dejl reported that the Czech Permanent Representative in Brussels had been directed to be helpful towards encouraging a solution. He thanked Post for providing quick answers to the Ministry's questions, including providing figures that showed the U.S. exported hormone-treated beef to 114 countries.

14. (C) Dejl reported that AgMinister Gandalovic would encourage EC Agricultural Commissioner Fischer Boel to take immediate steps to conclude an interim beef agreement when the two meet later this month. Gandalovic and Fischer Boel may meet on the margins of a February 12 conference and will meet face-to-face on February 19. Dejl asked whether the imposition of trade sanctions might be delayed. FAS Counselor replied that a delay was the decision of USTR but the only foreseeable reason to delay was productive negotiations that had an end point in time for more market

access. Dejl said it might be worthwhile for the AgMinister to call on EC Health Commissioner Vassiliou but made no specific commitment. Dejl was open to possible DVCs with U.S. agricultural experts on this and other issues during the Czech EU presidency. Dejl added that Minister Gandalovic plans to travel to New York City at a future date for a United Nations conference on sustainable development and would welcome a DC trip to visit USDA Secretary Vilsack and other administration officials.

¶5. (C) Action request: Post requests guidance whether the Czechs should be encouraged to reach out to the Commission on the sanitary issues relating to beef. End action request.

¶6. (C) Comment. The current pro-American Czech government is a strong supporter of eliminating barriers to transatlantic trade and the importance of making science-based decisions on food safety. As a result, the Czechs are a natural U.S. ally on this issue. That said, they caution not to expect too much as trade issues continue to be dominated by the Commission. They also warn that as the EU Presidency country, they are expected to represent the EU as a whole. Thus, they are wary of getting too far out ahead of the other member states and need the support of other EU countries for cover. This message was co-drafted and cleared by USDA/FAS in Warsaw.
Thompson-Jones